

Message Text

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E.O. 11652: N/A

TAGS: BEXP

SUBJECT: BULGARIAN PVC PROJECT

1. SELAS OF AMERICA (NEDERLAND), IN COMBINATION WITH AIR PRODUCTS AND CHEMICALS, (BOTH U.S. COMPANIES), IS BIDDING ON A 100,000 TON/YEAR PLANT IN DEVNIA, BULGARIA. THE COMPETITION IS MAINLY JAPANESE REPRESENTED BY SHINETSU, SUMITOMO AND HITACHI IN COMBINATION WITH FRENCH, ENGLISH AND GERMAN GROUPS. THE MOST SERIOUS COMPETITION IS BELIEVED TO BE SHINETSU-VICKERS ZIMMER.
2. THE CONTACTS IN TECHNOCOMPLEKT ARE MR. PEEV AND MR. TCHAKAROV. MOST OF SELAS CONTACTS HAVE BEEN WITH MR. TCHAKAROV. MEETINGS WITH TECHNOCOMPLEKT HAVE BEEN ON THE ORDER OF TWICE A MONTH.
3. CONTRACT VALUE FOR SELAS WOULD BE FOR ABOUT 25 MILLION GUILDERS. SELAS WILL SUPPLY EQUIPMENT, MATERIALS AND ENGINEERING SERVICES. FINANCING WOULD BE BRITISH BECAUSE OF BULGARIAN PREFERENCE AND RATE (6 PERCENT).
4. THE AIR PRODUCTS PROCESS FOR PVC IS ADVANCED, HIGHLY COMPETITIVE AND MEETS REQUIREMENTS OF BULGARIANS. IT IS A BATCH PROCESS WHICH PERMITS VARIETY OF END PRODUCTS (APPROXIMATELY 16) AND IS THUS MORE FLEXIBLE. THE COMPETITION IS PROPOSING A SEMI-CONTINUOUS

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PROCESS WHICH LIMITS END PRODUCTS (2 OR 3). SELAS/AIR PRODUCTS

PROPOSAL INCLUDES A SOLVENT WASH CAPABILITY (FOR REMOVAL OF COLLECTED PVC IN MACHINERY) WHICH IS NOT THOUGHT TO BE INCLUDED IN COMPETITION PROPOSALS. SELAS/AIR PRODUCTS PROPOSAL IS THUS MORE SOPHISTICATED THAN COMPETITION.

5. SELAS/AIR PRODUCTS PRICE IS LOW AND TIGHT -- HOWEVER, IT IS SUSPECTED COMPETITORS' BID MAY BE LOWER -- HOW MUCH IS NOT CLEAR. WE BELIEVE STRONG EXPORT TRADE INCENTIVES BY JAPANESE GOVERNMENT ARE AIDING COMPETITION.

6. AT PRESENT TIME SELAS HOLDS A CONTRACT FOR CONSTRUCTION OF AN ETHYLENE PLANT IN BULGARIA. THIS CONTRACT IS IN FINAL ENGINEERING PHASE AND DUE FOR COMPLETION IN 1975. BULGARIANS KNOW SELAS AS HIGH PERFORMANCE, TECHNICALLY COMPETENT COMPANY.

7. DR. R.G. MINET, SELAS DEP MANAGING DIRECTOR, IS: NOW IN SOFIA AND MAY CONTACT EMBASSY FOR ASSISTANCE. GON MAY ALSO WEIGH IN ON BEHALF OF SELAS/AIR PRODUCTS THROUGH DUTCH EMBASSY IN SOFIA. WOULD APPRECIATE ANY HELP YOU CAN GIVE.
TANGUY

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